

INDUSTRY CIRCULAR

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE
ALCOHOL AND TOBACCO TAX DIVISION



WASHINGTON 25, D. C.

Industry Circular No. 59-21

April 17, 1959

LOSSES OF TOBACCO PRODUCTS AND CIGARETTE PAPERS AND TUBES CAUSED BY DISASTERS OCCURRING AFTER SEPTEMBER 2, 1958

Manufacturers and importers of tobacco products and cigarette papers and tubes and proprietors of customs bonded cigar manufacturing warehouses, class 6:

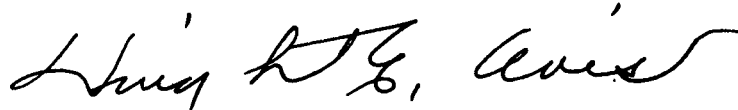
Purpose. The purpose of this industry circular is to acquaint you with the provisions of a notice of proposed rulemaking, published in the Federal Register of April 8, 1959 (24 F. R. 2688), which would add Subpart C to 26 CFR Part 296, "Miscellaneous Regulations Relating to Tobacco Materials, Tobacco Products, and Cigarette Papers and Tubes."

Background. The proposed regulations in Subpart C of Part 296 would implement section 5708 of the Internal Revenue Code of 1954, as amended by the Excise Tax Technical Changes Act of 1958, which provides for relief in respect of the internal revenue taxes paid or determined, and customs duties paid, on tobacco products and cigarette papers and tubes lost by reason of "major disasters" occurring after September 2, 1958.

Proposed Regulations. The proposed regulations set forth procedures whereby payments (without interest) may be made of an amount equal to the amount of the internal revenue taxes paid or determined, and customs duties paid, on tobacco products and cigarette papers and tubes removed, which are lost, rendered unmarketable, or condemned by a duly authorized official, by reason of "major disasters." The payments may be made only to persons holding such tobacco products or cigarette papers or tubes for sale at the time of the disaster. The claimant must furnish satisfactory proof that he is entitled to payment and that he was not indemnified by any valid claim of insurance or otherwise in respect of the tax, or tax and duty, on the tobacco products or cigarette papers or tubes covered by the claim. Claims must be filed with the assistant regional commissioner (alcohol and tobacco tax) of the internal revenue region in which the tobacco products or cigarette papers and tubes were lost, rendered unmarketable, or condemned, within 6 months after the date on which the President makes the determination under the Act of September 30, 1950 (42 U. S. C. 1855) that the "major disaster" has occurred. Assistant regional commissioners (alcohol and tobacco tax) are authorized to allow claims in respect of the internal revenue taxes paid or determined while the Commissioner of Customs is authorized to act on claims in respect of customs duties.

Comments. The notice of proposed rulemaking provides that, prior to adoption, consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing, in duplicate, to the Director, Alcohol and Tobacco Tax Division, Internal Revenue Service, Washington 25, D. C., within 30 days from the date of publication in the Federal Register.

Inquiries. Inquiries regarding this circular should refer to its number and be addressed to the office of your assistant regional commissioner (alcohol and tobacco tax).

A handwritten signature in cursive script, reading "Dwight E. Avis".

Dwight E. Avis
Director, Alcohol and Tobacco Tax Division